



COSMOSTEEL HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200515540Z)
(the “**Company**”)

**QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL
OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED**

Background

CosmoSteel Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) was placed on the watch-list under the financial entry criteria (“**Watch-list**”) pursuant to Rule 1311 of the Listing Manual on 5 June 2018 as it recorded pre-tax losses for the then three (3) most recently completed consecutive financial years (based on the audited full year consolidated accounts of the Company) and an average daily market capitalisation of less than S\$40 million over the last 6 months prior to 1 June 2018.

The Company remains on the Watch-list as at the date of this announcement as the Company did not meet the exit criteria pursuant to Rule 1314 of the Listing Manual (the “**Exit Criteria**”) read with Practice Note 13.2 (Watch-List) as at 31 December 2024.

As announced by the Company on 12 June 2024, the Company has obtained an extension of time up to 4 June 2025 to meet the Exit Criteria.

Pursuant to Rule 1313(2) of the Listing Manual, the Board of Directors of the Company (the “**Board**”) wishes to provide an update on its efforts and the progress made in meeting the Exit Criteria.

Update on Future Direction and Other Material Developments

As announced by the Company on 24 January 2025, the Company has received approval from its shareholders (“**Shareholders**”) at the extraordinary general meeting held on the same day for the disposal by its wholly-owned subsidiary, Kim Seng Huat Hardware Pte Ltd, of its warehouse located at 90 Second Lok Yang Road at a selling price of S\$9,000,000. The Company will provide Shareholders with further updates as and when the remaining conditions precedent and other material terms required to be met prior to completion of the disposal are satisfied, and when completion occurs.

As announced by the Company on the same day as the date of this announcement (“**Voluntary 1QFY2025 Results Announcement**”), the Group has returned to profitability, after recording a loss for the financial year ended 30 September 2024 (“**FY2024**”), reporting a profit before tax of S\$2,491,000 and profit after tax of S\$2,489,000, for the first quarter of the financial year ending 30 September 2025 (“**1QFY2025**”).

Such level of profitability was achieved after taking into account, *inter alia*, the fulfilment of certain orders, the delivery of which was delayed in FY2024 and carried over into 1QFY2025 and reporting of other gains of S\$1,940,000 arising from foreign exchange transaction and translation gains and reversal of write-down of inventories. Please refer to the Voluntary 1QFY2025 Results Announcement for further details.

As disclosed in the Company's annual report for FY2024, the Company will continue to pursue new markets and customers and enhance revenue generation, in terms of quantum and stability, *inter alia*, by growing its sources of recurring income, including through offerings of non-steel product categories. The Company also continues to pursue potential opportunities for trading and investment in Vietnam and Central Asia.

The Company will provide Shareholders with further updates as and when significant developments unfold in relation any of the foregoing.

Save for the above, as at date of this announcement, there is no material development or update on the Group's business or future plans or directions that may have a significant impact on the financial results, financial position of the Company and/or the movement of the Company's share price that would affect its position on the Watch-list.

Update on Efforts for Satisfying Exit Criteria

The Company will not be in a position to satisfy the relevant Exit Criteria to exit the Watch-List by 4 June 2025, *inter alia*, as the Company has recorded a loss for FY2024 (based on the audited full year consolidated accounts).

As at 24 February 2025, the Company's average market capitalisation over the past 6 months (excluding the treasury shares held by the Company) is approximately S\$27.3million.

The Company will engage in discussions with the Singapore Exchange Regulation regarding alternatives for exiting the watch-list, including the possibility of obtaining an extension of time for the Company to explore a possible transfer to the Catalist of the Singapore Exchange.

Apart from the foregoing, the Company will continue to actively consider and explore various options and will keep the Shareholders duly informed of any subsequent material developments in relation to the foregoing, and/or affecting the Company and/or its business.

BY ORDER OF THE BOARD

Ong Tong Hai
Chief Executive Officer and Executive Director
24 February 2025